



Office of the President

15 November 2017

Mr. Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314-3428

Re: RIN 3133-AE78 – Proposed Rule and
Request for Comments – Accuracy of
Advertising and Notice of Insured Status

Dear Mr. Poliquin:

Navy Federal Credit Union provides the following comments in response to the National Credit Union Administration's (NCUA) proposal to amend certain provisions of its official advertising rule. The NCUA proposes a number of changes to the share insurance rule to lessen the regulatory burden to federally insured credit unions. Navy Federal supports these efforts. Navy Federal Credit Union is the nation's largest natural person credit union, with more than \$83 billion in assets and over seven million members, and is committed to serving the financial needs and improving the financial condition of our members. Our comments on specific portions of this Request for Comment are below.

Disclosure of the Official Advertising Statement

The advertising rule requires credit unions to use NCUA's "official advertisement statement" when advertising share insured products (12 CFR 740.5(b)). Currently, the rule provides three options that can be used in an advertisement to disclose that a credit union is federally insured:

- The Official Sign;
- The statement - "This credit union is federally insured by the National Credit Union Administration."; or,
- The statement - "Federally insured by NCUA."

The NCUA proposes a fourth option; to allow a credit union to use the shortened statement "Insured by NCUA." Navy Federal supports the inclusion of a fourth option, and welcomes regulatory efforts to allow credit unions to streamline their disclosures.

Radio and Television Advertisements

In 2011, the NCUA amended the portion of its share insurance rule governing radio and television advertisements. As a result of the change, only radio and television advertisements less than 15 seconds were exempt from share insurance disclosure requirements. If this proposal is adopted, radio and television advertisements less than 30 seconds would once again be exempt from that share insurance requirement. Navy Federal believes that the decision to impose the shorter restriction disadvantaged credit unions in the financial services marketplace, and undermined their ability to offer effective radio and television advertisements. We support this proposed change, and welcome the NCUA's return to a pre-2011 interpretation of the rule.

Social Media and Other New Forms of Communication

Finally, the NCUA asks whether the share insurance rule should be modified to recognize new forms of member communications; in particular, social media platforms like Facebook, Twitter, and Instagram. Navy Federal supports NCUA's effort to address the challenges that accompany social media communications, and offers no specific suggestions here. However, we ask NCUA to consider these factors in any guidance it might offer going forward:

- That any guidance consider the ever-evolving nature of social media and be written broadly enough to allow credit unions to continue to innovate to serve their members;
- That NCUA be mindful of the technical restrictions (character limits, display formats, etc.) already imposed by social media platforms that may impact the delivery of information;
- Should the NCUA choose to act, that it consider existing guidance (including guidance that governs other financial institutions) so that credit unions are not disadvantaged; and,
- That NCUA fully engage with credit unions through a full Notice and Request for Comment process before issuing any new guidance.

Navy Federal appreciates the opportunity to comment on the NCUA's Accuracy of Advertising and Notice of Insured Status Proposed Rule. More broadly, we welcome NCUA's efforts to find ways to provide additional regulatory relief to federally insured credit unions. Should you or a member of your staff have additional questions about our comments, please contact me or my point of contact, Mark Lawton, at (703) 255-8328.

Sincerely,



Cutler Dawson
President/CEO